



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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November 21, 2018

Carole Cenci, Compliance Manager
Puget Sound Clean Air Agency
1904 Third Avenue, Suite 105
Seattle, WA 98101

RE: Comments on Draft Supplemental Environmental Impact Statement for
Puget Sound Energy - Tacoma Liquefied Natural Gas Project

Dear Carole Cenci:

Thank you for the opportunity to comment on the Draft Supplemental Environmental Impact Statement (SEIS) for the Puget Sound Energy Tacoma Liquefied Natural Gas Project. We appreciate that the analysis includes a greenhouse gas (GHG) life cycle analysis related to the proposal. The state of the science underlying life cycle analysis has advanced in recent years and continues to progress.

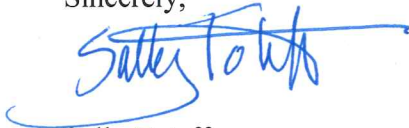
Regarding the GHG analysis, Ecology offers several comments:

- Our technical experts note that marine emission comparisons in the analysis should be to diesel, not Marine Diesel Oil (MDO), as heavier fuels are being phased out in nearshore operations. Also, because this project would require a large amount of electricity and create new demand, the analysis would be more accurate if it used current marginal power emission factors.
- In the evaluation of emissions from peak shavings, we don't understand how peak shaving could result in a net emissions decrease because energy is needed to liquefy the natural gas. This should be clarified in the Final SEIS. Additionally, the LNG converted back into natural gas for peak shaving should be evaluated against natural gas thermal combustion or power generation rather than petroleum, because Washington does not have significant petroleum based power generation.
- The analysis assumes that 100% Canadian natural gas would be used. If correct, this could cause fuel shuffling that results in an increased use of non-Canadian natural gas for other projects.

- If analyses in the Final SEIS lead to consideration of mitigation, technical expertise from Ecology is available to assist with calculations, determinations, and mitigation. Specifically, we could assist with the design of mitigation strategies that would result in emission reductions that are:
 - real, specific, identifiable, and quantifiable;
 - permanent;
 - verifiable; and
 - additional to existing law, rule, or supplementary requirements.
- Mitigation projects occurring within Washington are typically more easily tracked and accounted for, and support more accurate state GHG inventories. In-state actions would provide the added benefit of helping Washington reach its GHG reduction targets.

Again, thank you for the opportunity to comment. Please do not hesitate to contact Ben Blank at Ben.Blank@ecy.wa.gov or me at Sally.Toteff@ecy.wa.gov if you have questions about our comments.

Sincerely,



Sally Toteff
Southwest and Olympic Regional Director

(MLD:201805572)

cc: Ben Blank, Climate Policy Section Manager
Neil Caudill, Senior Carbon Reduction Planner
Betsy Wheelock, Project Manager, PSCAA